

FIRST REGULAR SESSION

SENATE BILL NO. 597

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCOTT.

Read 1st time February 27, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

2294S.011

AN ACT

To repeal sections 425.010 and 425.020, RSMo, and to enact in lieu thereof three new sections relating to debt adjusters, with a penalty provision.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 425.010 and 425.020, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 425.010, 425.020,
3 and 425.025, to read as follows:

425.010. As used in this chapter, the following terms mean:

2 (1) "Debt adjuster", a person who acts or offers to act for a consideration
3 as an intermediary between a debtor and his creditors for the purpose of settling,
4 compounding, or in any wise altering the terms of payment of any debts of the
5 debtor; and to that end receives money or other property from the debtor, or on
6 behalf of the debtor, for payment to, or distribution among, the creditors of the
7 debtor;

8 (2) "Debt management plan" or "DMP", a written agreement or
9 contract between a debt adjuster and a debtor whereby the debt
10 adjuster agrees to provide services to the debtor in return for payment
11 by the debtor not to exceed reasonable consideration;

12 (3) "Debtor", an individual or individuals jointly and severally or jointly
13 or severally indebted;

14 (4) "Reasonable consideration", a fee or contribution to cover the
15 cost of administering a debt management plan, not to exceed:

16 (a) Fifty dollars for an initial or set-up fee or charge for
17 establishing a DMP; and

18 (b) The greater of thirty-five dollars per month or eight percent
19 of the amount distributed monthly to creditors under such DMP.

425.020. Any person who acts or offers to act as a debt adjuster in this
2 state **other than under a debt management plan** is guilty of a misdemeanor
3 and upon conviction shall be punished as provided by law.

425.025. **Nothing in this chapter shall be construed to prevent**
2 **any individual or organization from administering a debt management**
3 **plan free of charge.**

✓

Unofficial

Bill

Copy